

231257

LAW OFFICES  
FRITZ R. KAHN, P.C.  
1920 N STREET, NW. (8<sup>TH</sup> FL.)  
WASHINGTON, DC 20036  
Tel.. (202) 263-4152 Fax. (202) 331-8330  
e-mail: xiccgc@verizon.net

ENTERED  
Office of Proceedings

NOV 08 2011

Part of  
Public Record

November 8, 2011

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, D. C. 20423

re: Docket No. AB-1087X, Grenada Railway LLC--Petition for Abandonment  
Exemption--in Grenada, Montgomery, Carroll, Holmes, Yazoo and  
Madison Counties, Miss.

Dear Ms. Brown:

Enclosed for filing in the subject proceeding is the Petition for Leave to File  
Responses of Grenada Railway LLC.

I certify that a copy of this letter this day has been served on each party of record  
by e-mail, facsimile transmission or prepaid first-class mail.

If you have any questions concerning this filing or I otherwise can be of  
assistance, please let me know.

Sincerely yours,

  
Fritz R. Kahn

**SURFACE TRANSPORTATION BOARD**

---

**Docket No. AB-1087X**

**GRENADA RAILWAY LLC  
--PETITION FOR ABANDONMENT EXEMPTION--  
IN GRENADA, MONTGOMERY, CARROLL, HOLMES,  
YAZOO AND MADISON COUNTIES, MISS.**

---

**PETITION FOR LEAVE TO FILE RESPONSES  
OF  
GRENADA RAILWAY LLC**

**Fritz R. Kahn  
Fritz R. Kahn, P.C.  
1920 N Street, NW (8th fl.)  
Washington, DC 20036  
Tel.: (202) 263-4152**

**Attorney for**

**GRENADA RAILWAY LLC**

**Dated: November 8, 2011**

SURFACE TRANSPORTATION BOARD

---

Docket No. AB-1087X

GRENADA RAILWAY LLC  
--PETITION FOR ABANDONMENT EXEMPTION--  
IN GRENADA, MONTGOMERY, CARROLL, HOLMES,  
YAZOO AND MADISON COUNTIES, MISS.

---

PETITION FOR LEAVE TO FILE RESPONSES  
OF  
GRENADA RAILWAY LLC

Grenada Railway LLC ("GRYR"), pursuant to 49 C.F.R. §1110.9, hereby respectfully seeks the waiver of 49 C.F.R. §1104.13(c) to file brief responses to invite the Board's attention to the erroneous and misleading allegations in the protests of Mr. Robert J. Riley of Coldwater, MS, Mr. Joe Marascalco of Southaven, MS and the Mississippi Transportation Commission of Jackson, MS ("MTC").

GRYR is mindful of the general rule of 49 C.F.R. §1104.13(c) that filing of a reply to a reply is not permitted. The Board, however, has granted leave to file responses when they have been limited to the issues raised in the protests, when they have been timely filed so as not to jeopardize the Board's ability to meet its statutory deadlines and when acceptance of the responses has provided a more complete record for the Board's consideration. See, i.e., Docket No. AB 6 (Sub-No. 477X), BNSF Railway Company--Abandonment Exemption--in Los Angeles County, Cal., served September 16, 2011; Docket No. AB 1053 (Sub-No. 1X), Michigan Air-Line Railway Co.--Abandonment Exemption--in Oakland County, Mich., served May 18, 2011; BNSF Railway Company--

Discontinuance of Trackage Rights Exemption--in Peoria and Tazewell Counties, Ill.,

served June 4, 2010. GRYR's responses well satisfy those standards.

Responses

Robert J. Riley. In his undated and unverified protest, Mr. Riley, a former locomotive engineer, contends that GRYR has "raised rates to a level that made it hard for local shippers to continue using rail service." Mr. Riley offers nothing in support of his contention. In fact, GRYR kept its line-haul rates at the same level from the time it began operating the Rail Line in July of 2009 until February of 2011, and then it increased only the line-haul rates to and from Canton and not to and from Memphis. The demurrage charges were not increased at all. And instead of losing the number of shipments, GRYR actually gained them. Burrows Paper, a protestant, which shipped 11 carloads in all of 2010, shipped 20 carloads in the first six months of 2011. Tri-County Cooperative, another protestant, which received 32 carloads in all of 2010, received 25 carloads in the first six months of 2011. Winona Hardwood became a shipper in 2011 and shipped 3 carloads the first six months of 2011. The largest shippers on the Rail Line are not protestants. Hankins Lumber Sales, which shipped 52 carloads in all of 2010, shipped 31 carload the first six months of 2011, and Thomas Wood Preserving, which shipped 18 carloads in all of 2010, shipped 13 carloads the first six months of 2011.

Mr. Riley, without any supporting photographs or other documentation, contends that the 114-foot bridge at Milepost 656.4 built in 1914 and embargoed by GRYR, effective July 28, 2011, is in "the exact same condition" as when he "operated trains over the bridge" an unspecified number of years ago. He, however, fails to explain how from the cab of the locomotive he was able see the sides of the bridge, clearly shown to be

falling apart in the four photographs included in GRYR's Petition for Abandonment Exemption.

In assailing GRYR's net liquidation value of \$17,755,000 for the track and track materials of its Rail Line, Mr. Riley mistakenly states, "In the past the Board has only allowed assessed value [of track] at the present rate of scrap metal minus labor for removal and environmental cost." He fails completely to acknowledge that the Board has recognized that rail may have value as relay rail or reroll rail well in excess of the rail's value as scrap. See, i.e., STB Docket No. AB-103 (Sub-No. 21X), [The Kansas City Southern Railway Company--Abandonment Exemption--Line in Warren County, MS](#), served February 28, 2008; STB Docket No. AB-492 (Sub-No. 2X), [Fillmore Western Railway Company--Abandonment Exemption--in Fillmore County, NE](#), served October 31, 2001. The net liquidation value of \$17,755,000 for the track and track materials of GRYR's Rail Line came from the offer to purchase them by Nevada Railroad Materials, Inc., of Ogden, UT, as set forth in the letter, dated September 1, 2011, from its President, Mr. Bob Ollendick. Such an offer has been recognized by the Board as the best evidence of what the assets are worth in the marketplace. See, i.e., STB Docket No. AB-1020X, [East Penn Railroad, LLC--Abandonment Exemption--in Berks and Montgomery Counties, PA](#), served January 28, 2009, STB Docket No. AB-398 (Sub-No. 7X), [San Joaquin Valley Railroad Company--Abandonment Exemption--in Tulare County, CA](#), served August 26, 2008; STB Docket No. AB-384 (Sub-No. 1X), [Delta Southern Railroad, Inc.--Abandonment Exemption--Between Lake Village, AR, and Shelburn, LA](#), served January 28, 2005. Mr. Riley has shown himself to be ill informed and lacking in credibility.

Joe Marascalco. In his undated and unverified protest, Mr. Marascalco mistakenly maintains that, in calculating its \$100,927 operating loss for the year 2010 and \$94,674 the first six months of 2011, "GRYR did not include traffic originating or terminating from customers Abitibowater ("Bowater") or Graeber Brothers." Neither protestant Bowater nor protestant Graeber Brothers is located on the Rail Line proposed for abandonment. Both, however, ship carloads of freight over the Rail Line to Canton. There is overhead or bridge traffic, and, in accordance with 49 C.F.R. §1152.36, GRYR included a prorate of their revenue in the \$434,200 it earned in handling overhead or bridge traffic in 2010 and \$236,400, in the first six months of 2011.

In its Petition for Abandonment Exemption GRYR stated that it had handled 289 carloads of freight on the Rail Line in 2010, or approximately 3.5 per car per mile per year, far below the industry rule of thumb that to be self sustaining a railroad needed to handle 35 cars per mile per year. Mr. Marascalco countered by adding the 1,000 cars allegedly shipped to Canton by Bowater in 2010 and the 23 cars shipped by Graeber Brothers to the 289 carloads cited by GRYR, for a total of 1,312 cars, or 16.1 cars per mile per year. Mr. Marascalco then goes on to say, "In my 10 years of experience in the railroad industry, I have never heard of another railroad making that 35 car per mile per year claim." Actually, the figure is conservative and probably should be 40 cars per mile per year, as others far more experienced in the railroad industry than Mr. Marascalco have stated. See, i.e., STB Docket No. AB-246 (Sub-No. 2X), Yreka Western Railroad Company--Abandonment Exemption--in Siskiyou County, CA, served May 4, 1999; STB Docket No. AB-441 (Sub-No. 2X), SWKR Operating Co.--Abandonment Exemption--in Cochise County, AZ, served February 14, 1997.

Mr. Marascalco challenges the estimate of Landreth Engineering of Albuquerque, NM, that \$28,248,010 would be required to finance a five-year program to bring the Rail Line to Class 1 standard. He says, "I worked as a conductor on this line right up until the time that CN sold this line two years ago and at that time, the track was a Class III track with speeds good for 40 MPH." Mr. Marascalco evidently did not see the propriety and confidential GRYR timetable, dated September 27, 2011, attached to the undated and unverified protest of Dr. Sidney Bondurant, Representative of the 24th District in the Mississippi House of Representatives, filed October 6, 2011, which identifies the 24 locations on the Rail Line where the speed limit is 10 miles per hour or there are other problems. Mr. Marascalco has demonstrated that his protest is entitled to little weight.

MTC. At pages 2 , 7 , 11 and 15 of MTC's unverified Reply and Protest, filed October 27, 2011, MTC alleges that shortly after GRYR took over the Rail Line, rates were raised, service reduced, and excessive demurrage assessed, all in an effort to drive off traffic in order to prepare the line for abandonment. MTC's charges are unfounded; it offers no evidence in support of its assertions. All it does, at pages 8, 20 and 21 of its Reply and Protest, is to capsule the written submissions of Mr. James Rone, Plant Manger of Newly Wed Foods, Lake, MS; Mr. Jim Flanagan, President and CEO of the DeSoto County Economic Development Council, Hernando, MS, Mr. J. Burke Nichols, Plant Manager of Carlisle Construction Materials, Senatobia, MS, Mr. Don Brown, President of Kosciusko and Southwestern Railway, Water Valley, MS, Mr. Steve Zea, President of the Kosciusko Attala Development Corporation, Kosciusko, MS, Mayor Jimmy W. Cockcroft of the City of Kosciusko, MS, Mayor Larry Hart of the City of Water Valley, MS, Dr. Sidney Bondurant, Representative of the 24th District in the

Mississippi House of Representatives, Grenada, MS, and Mr. Christopher A. Masingill of the Delta Regional Authority, Clarksdale, MS, none of whom is a shipper situated on the Rail Line having personal knowledge of what rates were assessed by GRYR or what service was rendered by it. As we stated above, in response to a similar allegation by Mr. Riley, in fact, GRYR kept its line-haul rates at the same level from the time it began operating the Rail Line in July of 2009 until February of 2011, and then it increased only the line-haul rates to and from Canton and not to and from Memphis. The demurrage charges were not increased at all. And at no time did GRYR operate more than two round-trips a week between Grenada and Canton.

At page 3 of its Reply and Protest, MTC maintains, "GRYR has not clearly shown financial harm." Again, MTC offers nothing to support its claim. Indeed, nowhere in its pleading does MTC dispute that GRYR lost \$100,927 in operating the Rail Line in 2010 and \$94,674 the first six months of 2011. Nor, for that matter, does MTC's consultant, Mr. Tom O'Connor, Vice President of Snavely King Majoros & O'Connor, Inc. of Landover, MD ("O'Connor"), dispute the amounts of the losses which GRYR actually sustained in operating the Rail Line, although, at page 26 of his Analysis, O'Connor faults GRYR's Assistant Vice President, Mr. Aaron Parsons, for not explaining in greater detail how he arrived at the amounts of the avoidable losses.

At page 3 of its Reply and Protest, MTC incorrectly states, "Connecting shortlines oppose the [GRYR's] Petition." In fact, only one connecting shortline, the Kosciusko and Southwestern Railway ("KSRY"), has filed an opposition statement. It is the railroad which has not moved one carload of freight to or from the City of Kosciusko or the County of Attalla in three years' time. That entire time, the railroad's line has been used



to store 134 cars owned or managed by General Electric Rail Services. The railroad line and the storage cars which have been allowed to deteriorate to such an extent that the cars cannot be safely removed from the KSRY without performing substantial maintenance and repairs.

At pages 3, 5 and 31 of its Reply and Protest, MTC charges that GRYR has overstated its avoidable costs, overstated its rehabilitation costs, and has inflated its net liquidation value ("NLV") in order to show unwarranted opportunity costs. MTC presents no evidence in support of its allegations. It doesn't even cite O'Connor as the source of its unwarranted allegation.

At page 3 of its Reply and Protest, MTC misquotes the provisions of 49 U.S.C. §10502(a) in stating "the Board can exempt an abandonment from the application of Section 10903" upon making the requisite findings. The statute says that the Board "shall exempt a person . . . or a transaction or service whenever the Board" makes the findings. As the Board puts it, "we must exempt a transaction or service for regulation" upon making the called-for findings. See, i.e., Docket AB 1053 (Sub-No. 2X), Michigan Air-Line Railway Co.--Abandonment Exemption--in Oakland County, Mich., served October 19, 2011; Docket No. AB 6 (Sub-No. 477X), BNSF Railway Company--Abandonment Exemption--in Los Angeles County, Cal., served September 16, 2011; Docket No. AB 33 (Sub-No. 296X), Union Pacific Railroad Company--Abandonment Exemption--in Riverside and San Bernardino Counties, Cal., served June 21, 2011. We respectfully submit that the Board would be able to make the required findings based upon the record in the present proceeding, although we acknowledge this is neither the time nor the place

to reargue the matters which were submitted in GRYR's Petition for Abandonment Exemption.

At page 7 and 14 of its Reply and Protest, MTC contends that the shippers on the Rail Line and other interested persons didn't have sufficient time -- a mere twenty days from October 7, 2011, when the Federal Register notice appeared, until October 27, 2011, when comments or protests were due -- to retain counsel and adequately prepare their opposition case. MTC's assertion is utter nonsense. The notices of GRYR's proposed abandonment were published the Grenada Star, The Winona Times, the Yazoo Herald and the Madison County Herald in mid-August. It may be that most persons do not read the official notices in their newspapers. Word of the GRYR's proposed abandonment, however, was carried as a news story in the August 27, 2011, edition of The Natchez Democrat, which, among other things, quoted Mr. Pablo Diaz, the Executive Director of the Grenada County Economic Development District, who in the meantime has proved himself to be an active protestant, and the article appeared verbatim on the NewsEdge and MenaFn web pages. Attachment A. In other words, contrary to MTC's contention, shippers on the Rail Line and other interested persons -- including MTC itself -- had two months to retain counsel and adequately prepare their opposition cases.

It is in the footnote on page 7 of its Reply and Protest that MTC calls attention to its First Discovery Requests, attached to the Reply and Protest as Exhibit A. MTC's filing with the Board of its First Discovery Requests is in clear violation of the Board's rule, 49 C.F.R. §1114.21(f), which states that discovery materials "shall not be filed with the Board". MTC's improperly filed First Discovery Requests warrant being rejected by the Board, pursuant to 49 C.F.R. §1104.10(a). MTC's First Discovery Requests were

outlandish, consisting of 44 interrogatories, 17 document production requests and 13 requests of admission. MTC served them notwithstanding, as it surely must know, that "discovery in an abandonment case is typically disfavored." STB Docket No. AB-459 (Sub-No. 2X), Central Railroad Company of Indiana--Abandonment Exemption--in Dearborn, Decatur, Franklin, Ripley, and Shelby Counties, IN, served April 1, 1998. GRYR timely served MTC with its objections and responses.

Even a cursory reading of the interrogatories, document production requests and requests for admission permits of no doubt that MTC's filing with the Board of its First Discovery Requests clearly was intended to malign GRYR and to prejudice the Board's consideration of its Petition for Abandonment Exemption because of GRYR's affiliation with A&K Railroad Materials, Inc. and with railroads past and present, which, according to MTC, at pages 2 and 12 of its Reply and Protest, almost always file for abandonment authority shortly after taking over a line. What MTC actually is doing in criticizing the actions of the railroads in question is to infer that the Board and the Interstate Commerce Commission ("ICC") before it have been irresponsible in the discharge of their statutory responsibilities. The Board and ICC did not shirk their duties and, to the contrary, in every instance concluded that the public convenience and necessity no longer required the railroad's operations and, accordingly, authorized its abandonment. STB Finance Docket No. AB-1074X, Lassen Valley Railway, LLC--Abandonment Exemption--in Washoe County, Nev. and Lassen County, Cal., served August 8, 2011; STB Docket No. AB-397 (Sub-No. 7X), Tulare Valley Railroad Company--Abandonment Exemption--in Tulare County, Cal., served February 22, 2011; STB Docket No. AB-603 (Sub-No. 1X), V & S Railway, Inc. --Abandonment Exemption--in Barber County, KS, served August

13, 2003; Docket No. AB-381 (Sub-No. 1X), T and P Railway--Abandonment Exemption--in Shawnee, Jefferson, and Atchison Counties, KS, served April 27, 1993 ("TAP"); Docket No. AB-335 (Sub-No. 2X), KCT Railway Corporation--Abandonment Exemption--in Franklin, Anderson, and Allen Counties, KS, served November 1, 1990.

In TAP the ICC declared:

TAP may be affiliated with a company involved in salvage operations, but [protestant's] allegations regarding TAP's reasons for acquiring the line are based on conjecture. \* \* \* [T]here is no requirement in the statute or our regulations as to how long a railroad must operate a rail line before seeking an abandonment. Moreover, TAP's corporate affiliation is not sufficient evidence to show an intent to abuse our exemption regulations, much less that a pattern of abuse exists.

MTC, at page 13 of its Reply and Protest, fails to explain why the Board could not make a similar finding in the present proceeding.

At page 9 of its Reply and Protest, MTC notes that Georgia Pacific and Dunham were shippers in 2010 and but not in 2011, having closed their operations on the Rail Line in the meantime. It speculates, "It is unclear whether the lack of adequate rail service contributed to their closure, but it likely did." Instead of leaving the matter hanging, suggesting that the closures were attributable to GRYR's lack of adequate service, MTC had ample time to confer with representatives of Georgia Pacific and Dunham and to offer evidence why their operations on the Rail Line were closed. It, however, chose not to do so.

At pages 9 and 19 of its Reply and Protest, MTC falsely states that the largest shippers on the Rail Line have provided letters or verified statements indicating their opposition to the abandonment. The two largest shippers on the Rail Line are Hankins

Lumber Sales and Thomas Wood Preserving, and neither one has filed a comment or lodged a protest expressing its opposition to the proposed abandonment.

At page 14 of its Reply and Protest, MTC, relying on O'Connor, claims that in its Petition for Abandonment Exemption GRYR overstated its avoidable costs. In fact, O'Connor, neither at page 5 nor at page 16 of his Analysis of Mr. Parsons' financial statements, Exhibit B to the Reply and Protest, disputes that GRYR lost \$100,927 in operating the Rail Line in 2010 and \$94,674 the first six months of 2011, although, at page 26 of his Analysis, O'Connor faults Mr. Parson for failure to explain in greater detail how he arrived at the avoidable losses. Contrary to MTC's contrived assertion, at pages 15, 22 and 23 of its Reply and Protest, and O'Connor's Analysis, at pages 5 and 16, that Mr. Parson's financial statements for 2010 and 2011 failed to take into account the bridge or overhead traffic handled on the Rail Line, Mr. Parsons' financial statements show that bridge or overhead traffic contributed \$434,000 of revenue in 2010 and \$236,400 in the first six months of 2011.

At page 16 of its Reply and Protest and at pages 18, 22 and 23 of O'Connor's Analysis, MTC and O'Connor contend that the onsite review by the professional engineers engaged by O'Connor revealed that the 112-foot bridge at Milepost 656.4 may not be in as bad shape as GRYR had contended. As MTC surely must have known, the professional engineers who conducted the onsite review were trespassers. Their unauthorized presence on GRYR's bridge was in direct violation of the standardized railroad operating rules mandated by the regulation of the Federal Railroad Administration, 49 C.F.R. §218.1. The unlawfully obtained material warrants being rejected by the Board, pursuant to 49 C.F.R. §1104.1(a).

At page 17 of its Reply and Protest and at pages 6 and 23 of O'Connor's Analysis, MTC and O'Connor maintain that direct observations on site by Messrs. Chet Rhodes and Carl Rode dispute the notion that the Rail Line is in need of substantial rehabilitation. As MTC surely must have known, the onsite inspectors of GRYR's track were trespassers. Their unauthorized presence on GRYR's railroad line was in direct violation of the standardized operating rules mandated by the regulations of the Federal Railroad Administration, 49 C.F.R. §218.1. The unlawfully obtained material warrants being rejected by the Board, pursuant to 49 C.F.R. §1104.1(a).

At page 19 of its Reply and Protest and at page 2 of the letter from Mr. Howard B. Herring of Ridge Point Consultants of Meadville, MS, attached as Exhibit C to MTC's Reply and Protest, while criticizing the appraisal of Mr. George Ross, MTC and Mr. Herring offer none of their own, stating that for Ridge Point Consultants to have developed a comprehensive appraisal report would have taken at least 45-60 days. If Ridge Point Construction had gotten started on preparing such a comprehensive appraisal report in mid-August, when MTC was made aware of GRYR's proposed abandonment of the Rail Line, it would have had ample time to complete it. MTC hardly can take refuge in failing to act when it had every opportunity to do so.

At page 25 of its Reply and Protest, MTC falsely accuses GRYR of failing to address in its Petition for Abandonment Exemption its commitment to retaining the Southhaven-to-Grenada line even as it seek authority to abandon the Grenada-to-Canton line. GRYR would not be establishing a transloading site at its Grenada yard and offering the five shippers on the Rail Line financial incentives to engage in intermodal

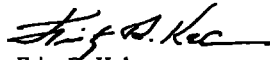
transportation of their freight through Memphis, as fully discussed in the Petition for Abandonment Exemption, if it had in mind abandoning the Southhaven-to-Grenada line.

WHEREFORE, Petitioner, Grenada Railway LLC respectfully requests that, pursuant to 49 U.S.C. §10502(a) and 49 C.F.R. §1121.1, et seq., it be granted an exemption from the provisions of 49 U.S.C. §10903 and 49 C.F.R. 1152.1, et seq., to abandon its rail line between Milepost 622.5 near Grenada and Milepost 703.8 near Canton, Mississippi.

Respectfully submitted,

GRENADA RAILWAY LLC

By its attorney,



Fritz R. Kahn  
Fritz R. Kahn, P.C.  
1920 N Street, NW (8th fl.)  
Washington, DC 20036  
Tel.: (202) 263-4152

Dated: November 8, 2011.

#### CERTIFICATE OF SERVICE

I certify that I this day served a copy of the foregoing Petition for Leave to File Responses of Grenada Railway LLC upon each of the parties of record by e-mail, facsimile transmission or prepaid first-class mail.

Dated at Washington, DC, this 8th day of November 2011.

  
Fritz R. Kahn

**ATTACHMENT A**



0%  
BORED

0%  
FURIOUS

0%  
INTRIGUED

## Rail worries surface

Published 12:06am Saturday, August 27, 2011

Email  Comments 

2 retweet Like 2 likes. Sign Up to see what your friends like.

**NATCHEZ** — The worst fears of local officials and economic development go-getters concerning the railroad in Southwest Mississippi recently materialized in the northern part of the state.

Owners of Grenada Railway LLC published a legal notice Aug. 12 saying they intend to file a petition Sept. 15 to abandon an 81-mile stretch of railroad from Grenada to Canton.

The Grenada railroad and Natchez railroad share similar ownership.

Both rail companies were purchased in 2009 from CN -- formerly called Canadian National -- by newly created entities Grenada Railway LLC and Natchez Railway LLC, respectively. Both owners have deep ties to each other and to A & K Railroad Materials, one of the nation's leading railroad scrapping companies.

Dan Bland, one of the Adams County appointees to the Southwest Mississippi Regional Railroad Authority, said owners' attempts to abandon the local railroad in Grenada foreshadow plans for what might happen in Natchez.

"This is an example of my worst fears," Natchez Inc. Executive Director Chandler Russ said of the petition to abandon Grenada Railway.

Both the Natchez and Grenada railroad contracts included a clause saying the railroad must stay operational for a minimum of two years before filing for abandonment.

June marked the passing of two years since the sale of Natchez Railway, and the Grenada railroad was sold at approximately the same time.

The Southwest Mississippi railroad authority was created earlier this year through state legislation and the Adams County Board of Supervisors' own unanimous vote.

"(The threat of abandonment) is why we put the (railroad) authority in place as a backstop measure to begin with," Russ said.

<http://www.natchezdemocrat.com/2011/08/27/rail-worries-surface/>

11/3/2011

-----

The 15-member authority, which is comprised of five people from Adams, Franklin and Lincoln counties, met for the first time in May. The authority has the power to purchase the railroad to prevent its scrapping if its current owners attempt to abandonment.

"(The current situation with Grenada Railway) is what we've been protecting ourselves from," Russ said.

Counties with a stake in the future of the Grenada railroad, which runs through Montgomery, Carroll, Holmes, Yazoo and Madison counties, do not have a railroad authority.

Pablo Diaz, the executive director of the Grenada County Economic Development District, said while the Grenada railroad has a number of current customers, the biggest concern is its impact on luring prospective industries to the region.

"Having access to Jackson (via railroad) is a selling point for economic development," Diaz said.

Diaz said he has been working with other economic development entities, which benefit from the railroad, to weigh options for saving the railroad.

Diaz said he does not have enough information to know whether to feel good or bad about the chances of saving the railroad.

"I can't say I feel one way or the other," Diaz said.

Bland said the authority is exploring a number of options to counteract possible abandonment efforts as well as rate increases for customers using local rail services.

"We have got to do something, and we are acting as fast as we can to see what is going to happen (locally)."

Russ said the potential loss of the Grenada railroad could also have an ancillary impact on Southwest Mississippi.

The absence of the Grenada railroad would eliminate an alternate route north of Canton for customers using the CN railway that connects to Natchez Railway in Brookhaven, Russ said.

Russ said an alternate route allows railroad commerce to continue in the event of an emergency or temporary railroad shutdown.

Adams County Board of Supervisors President Darryl Grennell said he hopes the owners of Natchez Railway don't follow suit of the abandonment proceedings in Grenada.

"The railroad authority was put in place so (the authority) would be prepared to move in the direction of acquiring the rail line if something like (what might happen in Grenada) was to happen in our area," Grennell said.

"(Losing the railroad) would be devastating to the area."

Bland echoed Grennell's urgency to use the authority in some capacity — whether it be purchasing it or some another option — to keep the railroad in town.

"We're going to try to get something resolved on this because we're not going to lose any industry or any jobs, bottom line," Bland said.

Anyone interested in buying a railroad before it was scrapped would have only between 90 to 100 days following public notice to petition abandonment to take action through the U.S. Surface Transportation Board.

My News

[View My Topics](#)

[Choose/Edit My Topics](#)

[Industry News](#)

[Financial Services Front Page News](#)

[N. Amer. Front Page Business News](#)

[Economic Indicators](#)

[Economic Forecasts Overview](#)

[World Trade Report](#)

[Stock Closings](#)

[US Dollar](#)

[Top World News](#)

[America Business News](#)

[Top Business News](#)

Industry News

view: [Personalize My Editors' Picks](#) | [All Editors' Picks](#)

news

All Editors' Picks

Financial Services Front Page News

North American Front Page Business News

Economic Indicators  
Economic Forecasts Overview

World Trade Report

Stock Closings

U.S. Dollar

Transportation New Technology

[back to headlines](#) | [print story](#) | [small story](#)

08/27/2011 02:46:26 AM EDT -- Natchez Democrat, The (MS)

Rail worries surface

Aug. 27--NATCHEZ -- The worst fears of local officials and economic development go-getters concerning the railroad in Southwest Mississippi recently materialized in the northern part of the state.

Owners of Grenada Railway LLC published a legal notice Aug. 12 saying they intend to file a petition Sept. 15 to abandon an 81-mile stretch of railroad from Grenada to Cantor.

The Grenada railroad and Natchez railroad share similar ownership.

Both rail companies were purchased in 2009 from CN -- formerly called Canadian National -- by newly created entities Grenada Railway LLC and Natchez Railway LLC, respectively. Both owners have deep ties to each other and to A & K Railroad Materials, one of the nation's leading railroad scrapping companies.

Dan Bland, one of the Adams County appointees to the Southwest Mississippi Regional Railroad Authority, said owners' attempts to abandon the local railroad in Grenada foreshadow plans for what might happen in Natchez.

"This is an example of my worst fears," Natchez Inc. Executive Director Chandler Russ said of the petition to abandon Grenada Railway.

Both the Natchez and Grenada railroad contracts included a clause saying the railroad must stay operational for a minimum of two years before filing for abandonment.

June marked the passing of two years since the sale of Natchez Railway, and the Grenada railroad was sold at approximately the same time.

The Southwest Mississippi railroad authority was created earlier this year through state legislation and the Adams County Board of Supervisors' own unanimous vote.

"(The threat of abandonment) is why we put the (railroad) authority in place as a backstop measure to begin with," Russ said.

The 15-member authority, which is comprised of five people from Adams, Franklin and Lincoln counties, met for the first time in May. The authority has the power to purchase the railroad to prevent its scrapping if its current owners attempt to abandon it.

"(The current situation with Grenada Railway) is what we've been protecting ourselves from," Russ said.

Counties with a stake in the future of the Grenada railroad, which runs through Montgomery, Carroll, Holmes, Yazoo and Madison counties, do not have a railroad authority.

Pablo Diaz, the executive director of the Grenada County Economic Development District, said while the Grenada railroad has a number of current customers, the biggest concern is its impact on luring prospective industries to the region.

"Having access to Jackson (via railroad) is a selling point for economic development," Diaz said.

Diaz said he has been working with other economic development entities, which benefit from the railroad, to weigh options for saving the railroad.

Diaz said he does not have enough information to know whether to feel good or bad about the chances of saving the railroad.

"I can't say I feel one way or the other," Diaz said.

Bland said the authority is exploring a number of options to counteract possible abandonment efforts as well as rate increases for customers using local rail services.

"We have got to do something, and we are acting as fast as we can to see what is going to happen (locally)."

Russ said the potential loss of the Grenada railroad could also have an ancillary impact on Southwest Mississippi.

The absence of the Grenada railroad would eliminate an alternate route north of Canton for customers using the CN railway that connects to Natchez Railway in Brookhaven, Russ said.

Russ said an alternate route allows railroad commerce to continue in the event of an emergency or temporary railroad shutdown.

Adams County Board of Supervisors President Darryl Grennell said he hopes the owners of Natchez Railway don't follow suit of the abandonment proceedings in Grenada.

"The railroad authority was put in place so (the authority) would be prepared to move in the direction of acquiring the rail line if something like (what might happen in Grenada) was to happen in our area," Grennell said.

"(Losing the railroad) would be devastating to the area."

Bland echoed Grennell's urgency to use the authority in some capacity -- whether it be purchasing it or some another option -- to keep the railroad in town.

"We're going to try to get something resolved on this because we're not going to lose any industry or any jobs, bottom line," Bland said.

Anyone interested in buying a railroad before it was scrapped would have only between 90 to 100 days following public notice to petition abandonment to take action through the U.S. Surface Transportation Board.

(c)2011 The Natchez Democrat (Natchez, Miss.)

Visit The Natchez Democrat (Natchez, Miss.) at [www.natchezdemocrat.com](http://www.natchezdemocrat.com)

Distributed by MCT Information Services

#### Related Topics

[Railroads](#)  
[Mississippi](#)  
[USA](#)  
[geotestall](#)  
[Corporate Groups & Ownership](#)  
[North American Mining](#)  
[Americas](#)  
[North America](#)  
[Transportation New Technology](#)  
[Internet Regulatory](#)

#### Related Companies

[5841214](#)

Copyright © 2011 Acquire Media. All rights reserved.



Quotes: US MENA Enter Symbol

NewsLetter

JOIN Search

11/3/2011

Home MENAFN News Global News

RELATED: Global News Regional News News Search

## Rail worries surface

McClatchy Tribune Information Services  
Unprecedented-Saturday, August 27, 2011



**Lynchburg VA Hobby Shop**  
Model Kits, Plans, Tools, Supplies And  
Much More. Stop by Our Store!  
[www.LynchburgHobby.com](http://www.LynchburgHobby.com) AdChoices

**Trucking Companies Hiring**  
Hiring Truck Drivers & Equipment Operators  
Pay & Location Not 1st  
[www.TruckingJobs.com](http://www.TruckingJobs.com) AdChoices

NATCHEZ, Aug. 27, 2011 (The Natchez Democrat - McClatchy-Tribune Information Services via COMTEX) - The worst fears of local officials and economic development go-getters concerning the railroad in Southwest Mississippi recently materialized in the northern part of the state.

Owners of Grenada Railway LLC published a legal notice Aug. 12 saying they intend to file a petition Sept. 15 to abandon an 81-mile stretch of railroad from Grenada to Canton.

The Grenada railroad and Natchez railroad share similar ownership.

Both rail companies were purchased in 2009 from CN -- formerly called Canadian National -- by newly created entities Grenada Railway LLC and Natchez Railway LLC, respectively. Both owners have deep ties to each other and to A & K Railroad Materials, one of the nation's leading railroad scrapping companies.

Dan Bland, one of the Adams County appointees to the Southwest Mississippi Regional Railroad Authority, said owners' attempts to abandon the local railroad in Grenada foreshadow plans for what might happen in Natchez.

"This is an example of my worst fears," Natchez Inc. Executive Director Chandler Russ said of the petition to abandon Grenada Railway.

Both the Natchez and Grenada railroad contracts included a clause saying the railroad must stay operational for a minimum of two years before filing for abandonment.

June marked the passing of two years since the sale of Natchez Railway, and the Grenada railroad was sold at approximately the same time.

The Southwest Mississippi railroad authority was created earlier this year through state legislation and the Adams County Board of Supervisors' own unanimous vote.

"(The threat of abandonment) is why we put the (railroad) authority in place as a backstop measure to begin with," Russ said.

The 15-member authority, which is comprised of five people from Adams, Franklin and Lincoln counties, met for the first time in May. The authority has the power to purchase the railroad to prevent its scrapping if its current owners attempt to abandon it.

"(The current situation with Grenada Railway) is what we've been protecting ourselves from," Russ said.

Counties with a stake in the future of the Grenada railroad, which runs through Montgomery, Carroll, Holmes, Yazoo and Madison counties, do not have a

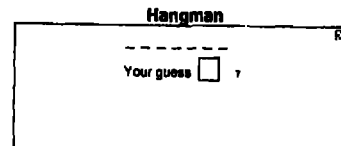
Follow me on Twitter  
@MENAFN



### Most popular stories

24 Hours / 7 Days / 30 Days

1. France's Sarkozy Q3 profit down 1% to US\$2.24B
2. BMW Q3 net income surges 24%
3. Starting 1/12 Indonesia will impose ban on all imports
4. Major 1st-Ease Into Series: Natchezan
5. Science Announces Release of 2nd Gen. of Super-Resolution Imaging Framework
6. Seasonal hiring on par with 2010
7. The Natchez Mounts Death of President's Honor in Law
8. Habbu Gantabhi's Death: A Warning to the Government
9. The ECB's Foreign Exchange Reference Rate: A New Day
10. SUSTAINABILITY: A New Day in Guidance and Learning



Hangman provided by The Free Dictionary

Search

100 100 100 100 100

Pablo Diaz, the executive director of the Grenada County Economic Development District, said while the Grenada railroad has a number of current customers, the biggest concern is its impact on luring prospective industries to the region.

Diaz said he has been working with other economic development entities, which benefit from the railroad, to weigh options for saving the railroad.

**"I can't say I feel one way or the other," Diaz said.**

**"We have got to do something, and we are acting as fast as we can to see what is going to happen (locally)."**

The absence of the Grenada railroad would eliminate an alternate route north of Canton for customers using the CN railway that connects to Natchez Railway in Brookhaven, Russ said.

Adams County Board of Supervisors President Darryl Grennell said he hopes the owners of Natchez Railway don't follow suit of the abandonment proceedings in Grenada.

**"(Losing the railroad) would be devastating to the area."**

"We're going to try to get something resolved on this because we're not going to lose any industry or any jobs, bottom line," Bland said.

\_\_\_\_ (c)2011 The Natchez Democrat (Natchez, Miss.) VisR The Natchez Democrat (Natchez, Miss.) at [www.natchezdemocrat.com](http://www.natchezdemocrat.com) Distributed by MCT Information Services

Copyright (C) 2011, The Natchez Democrat, Miss.

Nov 03, 2011 [Villagers Appeal for Food Relief](#) [At Africa World News](#)  
Nov 03, 2011 [Nurse Allegedly Refused to Help Burn Victims](#) [At Africa World News](#)  
Nov 03, 2011 [Copper Festival Was a Blast](#) [At Africa World News](#)  
Nov 03, 2011

<http://www.menafn.com/en/news/story.asp?storyid=0%7DQn7d3Aad5A0A4A1-00.c0>

